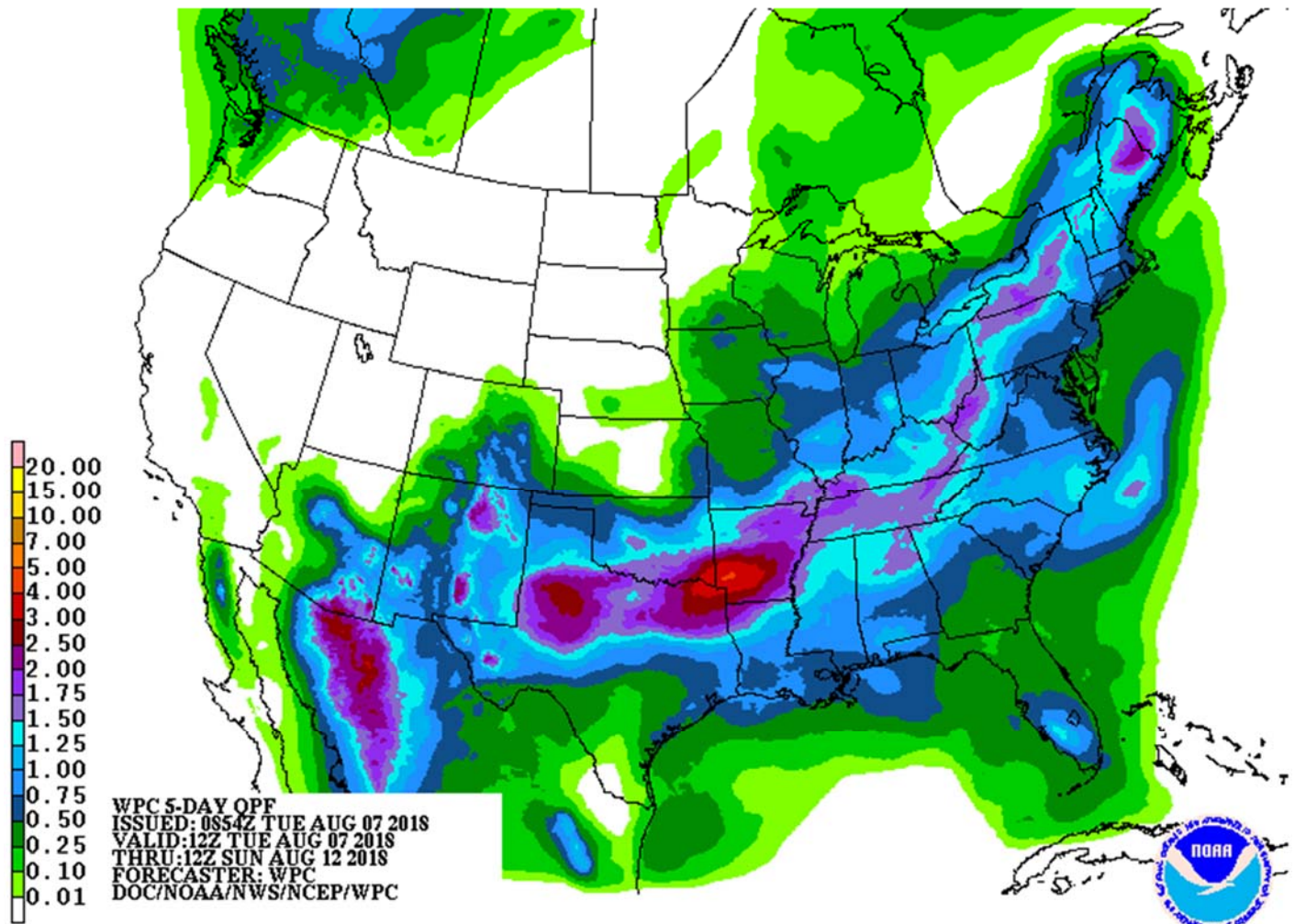




Weather and crop conditions

- Rain continued to fall across IA and surrounding areas through Tuesday. Other areas saw increasing crop stress.
- Note critical rain will fall through Tuesday across southern IA before a week of dry weather sets in. Next critical rain even will be during the August 15-17 period.



AREAS OF GREATEST CHANGE OVERNIGHT

- Texas cotton, sorghum and corn production areas from the Blacklands into West Texas are still advertised to receive significant rain in the coming week and World Weather, Inc. believes the forecast will verify to some degree
- All cotton areas will be impacted
- Rainfall of 0.25 to 0.75 and locally more will occur in the northwestern parts of West Texas while 1.00 to 2.00 inches results in most other areas with locally more possible
- The situation needs to be closely monitored for changes
 - Eastern Australia's forecast remains dry for the next ten days
 - Rain fell in some of northern China's dry region overnight and more rain is expected there during the next two weeks

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- East-central China is expected to dry out significantly in the next week to ten days
- The area includes southern Shandong, southern Henan and areas south through eastern Hubei, Anhui and Jiangsu to the lower Yangtze River Valley
- These areas should become short to very short of topsoil moisture by the second half of next week, although subsoil moisture will be a little better
 - India's monsoon is looking drier today
- Rainfall was reduced from the forecast in much of the nation
- Western and southern India have already been drying out for a while
- Western and northern Rajasthan and northwestern Gujarat are already too dry along with unirrigated areas in Pakistan
- Some showers are expected on a daily basis, but warm temperatures and the light intensity of resulting rainfall will lead to net drying
- Indian Meteorological Department already suggests rainfall for the season to date in India has been 90% of normal and they consider anything less than 90% to be potentially problematic for some parts of the nation
- El Nino is still expected to evolve later this year and dryness now may leave India's western crop areas in a precarious situation that might threaten corn, sorghum, soybean, cotton, rice and peanut production
- There is still plenty of time for improved weather, but the situation needs to be closely monitored
 - Canada's Prairies are advertised drier in the second week of the outlook today
- Most of the Prairies are still advertised to be hot in the latter half of this week with little to no rain
- A cool front is expected this weekend and early next week that will restore more seasonable temperatures, but rainfall accompanying the frontal system will not be very great
- Follow up rainfall is restricted, according to the latest model data
 - U.S. western Corn Belt weather may dry down gradually over the next ten days, but rain will fall in parts of Missouri and Neighboring areas today and early Wednesday
- Southern and eastern Midwest crop areas expected to remain in good shape, but net drying is likely in the upper Midwest and in southern Iowa
 - Temperatures in the U.S. Midwest will be seasonably warm over the next couple of weeks
 - Brazil's weather will be inclusive of mild temperatures and scattered showers during the next week to ten days from Center south into the far south
- None of the rain will be great as that reported this past weekend
- The moisture will continue good for wheat and sugarcane while mildly disruptive to Safrinha corn harvesting
- Coffee trees are expected to flower in many areas from southern Zona de Mata through Sul de Minas to Parana as a result of weekend rainfall and that makes the need for follow up rain very high for successful pollination
 - A disturbance in the central Atlantic Ocean may acquire tropical characteristics this week, but the system is so far from land it will have a minimal impact.
 - Hurricane Hector should pass to the south of Hawaii in the Pacific Ocean later this week
 - Tropical Storm John and Tropical Storm Ileana will stay off the coast of Mexico restricting rain in crop areas.
 - Tropical Storm Kristy formed Monday in the eastern Pacific Ocean and was also expected to stay far from land
 - Europe is still expected to trend cooler over the balance of this week with two frontal systems expected
- Temperatures will become more seasonable
- Rain is expected to fall erratically, but between the two frontal systems many areas will get "some" rain
- More will be needed to bring soil moisture closer to normal
- Pockets of improved soil moisture are expected
- Western Europe was still very warm to hot Monday and rainfall was minimal

REST OF THE WORLD

- U.S. rainfall overnight was greatest from Kansas and southeastern Nebraska through northern Missouri to parts of western Ohio and southern Michigan
- Southern Iowa did not receive much rain of significance
- Rain totals of 0.50 to 1.50 inches occurred in many areas, according to Doppler radar
- Some lighter showers occurred in the upper Midwest and in the southeastern states
- Most of Texas, Oklahoma and the Delta were dry along with the northwestern Plains and the far western United States
 - U.S. temperatures Monday were in seasonably in the northern Midwest and quite warm in the far western states and in the lower Midwest
- Seasonably warm conditions occurred in much of the south
- Many highs in the 90s occurred in the west and south while upper 70s and 80s occurred in the northern half of the Plains and northern Midwest
 - Today's U.S. outlook favors net drying in the western Corn Belt after Wednesday morning
- Scattered showers will impact the eastern Midwest periodically over the next ten days
- Showers will continue frequent in the Delta and southeastern states
- The Northern Plains and most of the far western states will stay dry during the next ten days
 - Canada's Prairies will become excessively hot later this week with restricted rainfall for the next ten days
- Stress to most crops and livestock are expected later this week and into the weekend, but "some" cooling is expected late in the weekend and next week that will bring "some" relief, but rainfall is not likely to be very significant
 - Southeastern Canada's corn, soybean and wheat production areas will see a favorable mix of weather during the next two weeks.
 - Pakistan continues to suffer from excessive heat and dry weather
- Highest temperatures during the weekend were in the range of 100 to 111 degrees Fahrenheit similar to that reported last week
- Monsoonal rainfall has failed to reach southern Pakistan this year stressing some crops
- Water supply in northern parts of the nation was already below average this year and limited summer rainfall and persistent heat has not helped the situation
- Crop yields may be down, although irrigation has continued to be applied
 - Russia's Southern Region, middle and lower Volga River Valley and central and eastern Ukraine will experience net drying over the next ten days
- Temperatures will be warmer than usual, but not excessively hot
- Highs in the 80s and 90s Fahrenheit are most likely
- Net drying will raise crop moisture stress and return a more serious level of drought in southern portions of the described region
 - A favorable mix of rain and sunshine is likely in the western parts of Russia, Ukraine, Belarus and Baltic States during the next two weeks
- Seasonably warm temperatures are expected
 - Northeastern and east-central Mexico crop areas will continue dealing with drought for at least the next ten days along with South Texas
- Western and southern Mexico will receive periods of rain favoring most crop needs
- Corn, sorghum, dry beans, sugarcane, and coffee in west and southern parts of the nation will either stay in good condition or see some improvement
- Far southern parts of the nation had been drier biased in the most recent 30 days and a boost in rainfall is needed
 - Eastern Europe and western CIS weather will dry down for a while this week and then get some rain late in the week or during the weekend

- A favorable mix of rain and sunshine this week will be good for many crops
- The drier periods will be ideal for late season winter crop maturation and harvesting in western Russia, Belarus, the Baltic States and parts of western and northern Ukraine
- The environment will also be good for early 2019 small grain planting that is under way in northern Russia now
- Eastern Russia New Lands will be mild to cool and a little rainy during the coming week
- Some drying is going to be needed later in August to support spring wheat maturation and harvest progress
- Too much moisture might threaten sunseed and unharvested spring cereal quality
- Mild to warm weather is expected west of the Ural Mountain region with the warmest weather expected during mid- to late-week
 - Xinjiang, China will experience warm temperatures and much less potential for rain through the end of this week
- A new frontal system may reach the area next weekend bringing a new wave of the thunderstorms followed by brief cooling
- A few strong thunderstorms and locally heavy rain will be possible
- Temperatures will be plenty warm through Friday and then cooler during the weekend
- Highs in the 90s to near 100 degrees Fahrenheit will occur through Friday and then cool to the 80s and lower 90s briefly
 - Southeast Canada corn, soybean and wheat conditions should be good in the coming week
- A little too much rain has recently impacted some wheat production areas
- Alternating periods of rain and sunshine are expected this week and some crop areas might benefit from a few more days of net dry
 - Argentina precipitation will be minimal until Tuesday when rain evolves briefly
- Rain totals of 0.15 to 0.75 inch are expected with local amounts over 1.00 inch in southern Buenos Aires
- Dry weather will occur early and late this week with more rain early to mid-week next week
- Rain totals should be sufficient in key wheat production areas to maintain a good outlook for the start of spring growth
- Cordoba and Santiago del Estero will not receive much rain of significance
- Temperatures will be mild with a slight cooler than usual bias in the east and a warmer than usual bias in the west

Source: World Weather INC

SIGNIFICANT CORN AND SOYBEAN BELT PRECIPITATION EVENTS

	WEST CORN BELT	EAST CORN BELT
Tdy-Wed		85% cvg of 0.15-0.75" and local amts over 2.0" with lighter rain in a few areas; driest NW
Wed-Mon	5-20% daily cvg of up to 0.30" and locally more each day	
Thu-Aug 14		20-40% daily cvg of up to 0.40" and locally more each day
Aug 14-15	65% cvg of up to 0.70" and local amts to 1.40"	
Aug 15-16		75% cvg of up to 0.60" and local amts to 1.30"
Aug 16-17	5-20% daily cvg of up	

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	to 0.30" and locally more each day	
Aug 17-18		5-20% daily cvg of up to 0.30" and locally more each day
Aug 18-20	70% cvg of up to 0.65" and locally more	
Aug 19-21		75% cvg of up to 0.65" and locally more

U.S. DELTA/SOUTHEAST SIGNIFICANT PRECIPITATION EVENTS

	DELTA	SOUTHEAST
Tdy-Wed	70% cvg of 0.25-0.75" and local amts to 1.70" north with up to 0.30" and locally more south	
Wed-Fri		60% cvg of up to 0.75" and local amts to 2.0"; east Ga. and S.C. driest
Thu-Fri	75% cvg of up to 0.75" and local amts to 1.50"; driest north	
Sat-Mon	20-40% daily cvg of up to 0.50" and locally more each day	80% cvg of up to 0.75" and local amts to 2.0"; driest west
Aug 14-15	5-20% daily cvg of up to 0.30" and locally more each day	5-20% daily cvg of up to 0.30" and locally more each day
Aug 16-18	65% cvg of up to 0.60" and locally more	75% cvg of up to 0.75" and locally more
Aug 19-21	10-25% daily cvg of up to 0.30" and locally more each day	10-25% daily cvg of up to 0.30" and locally more each day

Source: World Weather INC and FI

Bloomberg weekly agenda

TUESDAY, AUG. 7:

- New Zealand dairy auction on Global Dairy Trade online market starts ~7am ET (~noon London, ~11pm Wellington)
- China National Grain and Oils Information Center (CNGOIC) publishes forecast on country's grains output
- EARNINGS: Dean Foods, Mosaic

WEDNESDAY, AUG. 8:

- China's General Administration of Customs releases preliminary agricultural commodity trade data for July, 11pm ET Tuesday (11am Beijing Wednesday)
- EIA U.S. weekly ethanol inventories, output, 10:30am
- French Agriculture Ministry publishes crop areas, production forecasts

THURSDAY, AUG. 9:

- USDA weekly net-export sales for corn, wheat, soy, cotton, 8:30am

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- Brazil's crop agency Conab updates its forecast on 2017-18 grain and oilseed crop, 8am ET (9am Sao Paulo)
- Strategie Grains monthly report on European market outlook
- Port of Rouen data on French grain exports
- Buenos Aires Grain Exchange weekly crop report
- Bloomberg weekly survey of analysts' expectations on grain, sugar prices
- EARNINGS: BayWa

FRIDAY, AUG. 10:

- USDA's monthly World Agricultural Supply and Demand Estimates (WASDE) report for August, noon
- China's Ministry of Agriculture publishes China Agricultural Supply & Demand Estimates (CASDE) report
- Malaysian Palm Oil Board (MPOB) releases data on palm oil stockpiles, exports, production as of end-July, 12:30am ET (12:30pm Kuala Lumpur)
- Cargo surveyors Intertek, AmSpec release respective data on Malaysia's Aug. 1-10 palm oil exports, 11pm ET Thursday (11am Kuala Lumpur Friday)
 - SGS data during same period, 3am ET Friday (3pm Kuala Lumpur Friday)
- Unica's bi-weekly Brazil Center-South sugar output, 9am ET
- FranceAgriMer weekly updates on French crop conditions
- ICE Futures Europe commitments of traders weekly report on coffee, cocoa, sugar positions, ~1:30pm ET (~6:30pm London)
- CFTC commitments of traders weekly report on positions for various U.S. futures and options, 3:30pm
- EARNINGS: BRF

Source: Bloomberg and FI

Reuters poll for US Production

PREDICTING USDA FOR 2018-19 US PRODUCTION AND YIELD:

	Corn		Soybeans	
	Production	Yield	Production	Yield
Average trade estimate	14.411	176.2	4.407	49.6
Highest trade estimate	14.740	180.2	4.576	51.5
Lowest trade estimate	14.150	171.0	4.280	48.0
USDA July	14.230	174.0	4.310	48.5
Futures International	14.543	178.0	4.353	49.0

Source: Reuters, USDA and FI

Reuters poll for US Ending Stocks

PREDICTING USDA FOR 2017-18 (OLD CROP) and 2018-19 (NEW CROP):

	2017-18		2018-19		
	Corn	Soy	Wheat	Corn	Soy
Average trade estimate	2.021	0.460	0.961	1.636	0.638
Highest trade estimate	2.137	0.480	1.018	1.812	0.726
Lowest trade estimate	1.900	0.437	0.850	1.457	0.565
USDA July	2.027	0.465	0.985	1.552	0.580
Futures International	2.022	0.458	0.987	1.751	0.616

Source: Reuters, USDA and FI

Reuters poll for US Winter Wheat Production

USDA predictions for 2018-19 crop production:

	All Wheat	All Winter	Hard Red Winter	Soft Red Winter	White Winter	Other Spring	Durum
Average trade estimate	1.850	1.180	0.656	0.302	0.230	0.601	0.074
Highest trade estimate	1.885	1.201	0.665	0.313	0.240	0.633	0.078
Lowest trade estimate	1.700	1.050	0.635	0.290	0.210	0.570	0.069
USDA July	1.881	1.193	0.657	0.303	0.232	0.614	0.075
Futures International	1.884	1.194	0.661	0.304	0.230	0.613	0.077

Source: Reuters, USDA and FI

Reuters poll for USDA Aug world crop end stocks

PREDICTING USDA FOR 2017-18 (OLD CROP) AND 2018-19 (NEW CROP):

	2017-18			2018-19		
	Wheat	Corn	Soy	Wheat	Corn	Soy
Average trade estimate	273.1	190.8	95.5	256.4	152.6	99.3
Highest trade estimate	274.0	192.6	97.0	259.9	158.2	102.2
Lowest trade estimate	271.0	189.0	92.0	250.0	148.0	94.0
USDA July	273.5	191.7	96.0	260.9	152.0	98.3
Futures International	273.5	190.0	94.5	254.0	151.5	97.5

Source: Reuters, USDA and FI

Bloomberg estimates for USDA August S&D and Crop Production

WASDE AUG SURVEY	US Corn Reserves	US Soy Reserves	US Wheat Reserves	US Corn Reserves old crop	US Soy Reserves old crop
^Prior	1552.0	580.0	985.0	2027.0	465.0
^Average	1636.4	647.5	967.4	2014.6	463.4
^High	1849.0	770.0	1132.0	2137.0	507.0
^Low	1426.0	550.0	850.0	1900.0	437.0
AVE. HIGH-LOW DIF.	423	220	282	237	70
Futures International LLC	1751.0	616.0	987.0	2022.0	458.0

WASDE AUG SURVEY	US Corn Production	US Corn Yield	US Soy Production	US Soy Yield
^Prior	14230.0	174.0	4310.0	48.5
^Average	14416.0	176.3	4425.2	49.8
^High	14740.0	180.2	4576.0	51.5
^Low	14210.0	173.8	4346.0	49.0
AVE. HIGH-LOW DIF.	530	6	230	3
Futures International LLC	14543.0	178.0	4353.0	49.0

WASDE AUG SURVEY	US Wheat Production	US all winter wheat production	US hard red winter wheat production	US soft red winter wheat prod	US white wheat prod	US durum wheat production	US other spring wheat production
^Prior	1881.0	1192.6	657.4	302.8	232.4	74.9	614.0
^Average	1857.4	1184.8	657.0	303.1	230.2	73.9	597.5
^High	1907.0	1225.0	665.0	322.0	260.0	78.0	633.0
^Low	1700.0	1050.0	635.0	290.0	202.0	69.0	560.0
AVE. HIGH-LOW DIF.	207	175	30	32	58	9	73
Futures International LLC	1884.0	1194.0	661.0	304.0	230.0	77.0	613.0

WASDE AUG SURVEY	World corn inventories new crop	World soybean reserves new crop	World wheat reserves new crop	World corn reserves old crop	World soybean reserves old crop
^Prior	152.0	98.3	260.9	191.7	96.0
^Average	151.6	99.5	254.5	190.5	95.9
^High	158.2	102.2	259.9	192.6	97.8
^Low	146.0	94.0	245.0	185.0	92.0
AVE. HIGH-LOW DIF.	12	8	15	8	6
Futures International LLC	151.5	97.5	254.0	190.0	94.5

WASDE AUG SURVEY	Argentina corn old crop	Argentina Soybeans old crop	Brazil corn old crop	Brazil Soybeans old crop
^Prior	33.0	37.0	83.5	119.5
^Average	32.4	36.7	82.5	119.3
^High	33.5	37.0	85.0	120.0
^Low	31.0	36.0	80.1	117.4
AVE. HIGH-LOW DIF.	3	1	5	3
Futures International LLC	32.0	36.0	82.0	119.0

Source: Bloomberg, USDA and FI

Corn.

- Corn futures ended 0.25-0.75 in the front months after wheat prices were unable to sustain early gains. Some said the lower trade was in part to showers forecast for dry areas of the US, but the weather forecast also calls for net drying for other areas that may miss out on rain for at least a week. Limiting losses could have been the 24-hour reporting system sale of new-crop corn to unknown.
- The funds sold an estimated net 5,000 corn contracts.
- The CBOT oats market traded lower after 5 days of gains. Recall US oats conditions in the G/E categories were unchanged on Monday.
- A large grain company estimated Brazil corn exports could decline to 20 in 2018, lower side of many other projections, and 10 million below Brazil's AgMin forecast earlier this year. If realized, USDA 2018-19 US corn exports could expand at least another 5 million tons from current forecast to 61.5MMT, or 200 million bushels to 2.425 billion.
- Producers are harvesting corn earlier than normal across northeast of France, eastern areas, in the far north and near the center of the country, according to Arvalis.
- We are hearing the corn crop in Ukraine may end up better than expected.

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- Morocco opened its door to US poultry imports.
- Anthrax was discovered in a pig in Romania.
- A Bloomberg poll calls for U.S. corn ending stocks to come in at about **1.636** billion bushels versus USDA's estimate of 1.552 billion in July, and the corn yield to be initially surveyed by NASS at **176.3** bu/ac versus their working estimate of 174.0 bu/ac. FI is looking for 178.0 and stocks to increase 199 million to 1.751 billion.
- The Bloomberg poll shows a US corn production low/high of 14.210-14.740 billion, or 530 million bushel spread, with an average of 14.416 billion, 186 million above USDA. FI is using 14.543 billion, 127 million above the Bloomberg corn production average. If we are correct on our corn supply and ending stocks estimates for US corn, and are right on our soybean estimates, we look for soybean/corn spreading post USDA report on Friday.

Export Developments

- USDA reported the following under the 24-hour reporting system:
--Optional origin sales of 179,000 metric tons of corn for delivery to unknown destinations during the 2018/2019 marketing year. An optional origin contract provides that the origin of the commodity may be the U.S. or one or more other exporting countries.
- China sold about 59.4 million tons of corn out of reserves this season.

US Weekly Petroleum Status Report - Ethanol

	Ethanol Production		Change		Ethanol Stocks		Change		Days of Ethanol
	FI Production Est.	Mbbl	Last Week	Last Year	FI Stocks Est.	Mbbl	Last Week	Last Year	
6/22/2018		1072	8	5.6%		21,674	27	-0.8%	20.2
6/29/2018		1067	-5	5.2%		21,975	301	1.9%	20.3
7/6/2018		1033	-34	2.6%		22,393	418	5.7%	21.3
7/13/2018		1064	31	3.7%		21,768	-625	-1.7%	21.0
7/20/2018		1074	10	6.1%		21,653	-115	0.6%	20.3
7/27/2018		1064	-10	6.2%		21,967	314	5.3%	20.4
8/3/2018	-2 to -7				-50 to +100				

Source: EIA and FI

Corn		Change	Oats		Change	Ethanol	Settle	
SEP8	370.75	(0.25)	SEP8	255.25	(6.25)	SEP8	1.42	Spot DDGS IL
DEC8	384.50	(0.75)	DEC8	263.75	(6.25)	OCT8	1.42	Cash & CBOT
MAR9	395.50	(1.00)	MAR9	268.25	(5.25)	NOV8	1.41	Corn + Ethanol
MAY9	402.00	(0.75)	MAY9	270.75	(5.00)	DEC8	1.39	Crush
JUL9	407.75	(0.75)	JUL9	274.00	(4.75)	JAN9	1.39	1.55
SEP9	408.50	(0.50)	SEP9	278.50	(4.75)	FEB9	1.39	
Soybean/Corn		Ratio	Spread	Change	Wheat/Corn	Ratio	Spread	Change
SEP8	SEP8	2.41	524.50	12.75	SEP8	1.53	197.50	(6.00)
NOV8	DEC8	2.36	521.25	13.00	DEC8	1.53	205.50	(6.50)
MAR9	MAR9	2.34	530.75	13.00	MAR9	1.54	213.75	(4.75)
MAY9	MAY9	2.33	534.25	13.00	MAY9	1.53	213.00	(3.25)
JUL9	JUL9	2.32	536.75	12.75	JUL9	1.48	197.50	(4.75)
SEP9	SEP9	2.30	531.75	12.00	SEP9	1.50	202.75	(5.00)
US Corn Basis & Barge Freight								
Gulf Corn			BRAZIL Corn Basis			Chicago		
AUG	+57 / 60 u	up3/up1	AUG	+75 / +90 u	unch	Toledo	-3 u	dn2
SEPT	+59 / 64 u	up2/up2	SEPT	+80 / +90 u	unch	Decatur	-18 u	unch
OCT	+50 / 55 z	unch	OCT	+80 / +90 z	unch	Dayton	-2 u	unch
NOV	+56 / 59 z	up1/up1	NOV	+75 / +90 z	unch	Cedar Rapids	-15 u	unch
DEC	+57 / 60 z	up2/up2	DEC	+75 / +90 z	unch	Burns Harbor	-25 u	unch
USD/ton:						Memphis-Cairo Barge Freight (offer)		
US Gulf 3YC Fob Gulf Seller (RTRS) 174.8 174.8 179.8 181.0 181.0 180.9						Aug	350	unchanged
China 2YC Maize Cif Dalian (DCE) 260.9 264.0 266.8 269.5 272.3 275.0						Sep	500	unchanged
Argentina Yellow Maize Fob UpRiver - 176.4 181.0 - - -						Oct	500	unchanged

Source: FI, DJ, Reuters & various trade sources

8/6/18. September corn may trade in a \$3.50-\$4.15 range. December corn is seen in a \$3.00-4.50 range. Our working 2018-19 corn crop-year average is \$3.55, subject to change.

Soybean complex.

- The soybean complex rallied on Tuesday after USDA showed a decline in the weekly US soybean crop rating. Net drying for the rest of this week into next week for some of the US soybean growing areas also is raising concern as the crop is in the critical pod setting phase.
- Funds bought an estimated net 8,000 soybeans, bought 3,000 soybean meal and bought 3,000 soybean oil.
- USDA reported new-crop soybeans sold to unknown destinations.
- Oil World in their weekly update suggested China may have to start importing soybeans again from the United States as SA will run out of supplies. 15 million tons during the Oct-Mar period was noted.
- The CNGOIC lowered its outlook for 2018-19 China soybean imports to 94 million tons from 95 million, and sees 2017-18 imports at 95 million tons, also down 1MMT from previous. They see July-Sept. soybean arrivals at 26MMT and noted Chinese soybean crushers are intentionally delaying inbound shipments as supplies of the oilseed from state reserves are ample. China 2018-19 soybean meal consumption est. at 74.48MMT. (Bloomberg)
- Malaysian Palm Oil Council estimates the 2018 palm oil price at 2,410 ringgit/ton, down 9 percent from their January forecast. Prices seen stabilizing in 2,179-2,611 ringgit range. (Bloomberg)
- The Malaysian Palm Oil Board lowered its 2018 palm oil production to 19.9MMT, 2.9% lower than their January prediction. Production in 2H seen at 11MMT vs 11.2MMT in 2H 2017. Below normal rainfall was noted.

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- USDA's August Crop Production and S&D's are due out on Friday.
- A Bloomberg poll calls for U.S. soybean ending stocks to come in at about **648** million bushels versus USDA's estimate of 580 million in July, and the soybean yield to be initially surveyed by NASS at **49.8** bu/ac versus their working estimate of 48.5 bu/ac. FI is looking for 49.0 yield and US ending stocks to increase to 616 million bushels. If we are correct, soybeans could be friendly after the release of the report on Friday.
- The Bloomberg poll shows a US soybean production low/high of 4.346-4.576 billion, or 230 million bushel spread, with an average of 4.425 billion, 115 million above USDA July. FI is using 4.353 billion, 72 million below the average trade guess.

Export Developments

- USDA reported the following under the 24-hour reporting system:
--Export sales of 145,000 metric tons of soybeans for delivery to unknown destinations during the 2018/2019 marketing year.
- Egypt seeks 30k SBO and 10k Sunflower oil for LH September.
- Results awaited: South Korea seeks 12,000 tons of non-GMO soybeans in Aug 7 for Nov/Dec arrival.
- Results awaited: USDA seeks 2,160 tons of refined vegetable oil under the PL480 program on August 7 for shipment in September for Zimbabwe.
- The CCC seeks 9,000 tons of crude degummed soybean oil for Senegal and Guatemala, on August 8 for September shipment.
- Results awaited: Iran seeks 30,000 tons of soybean oil on August 1.
- Iran seeks 30,000 tons of sunflower oil on September 24.
- China sold 1.054 million tons of soybeans out of reserves so far, this season.

Traders look for Malaysian palm oil stocks to hit a 5-month high. We expect a gradual draw over the next several months. MPOB Malaysian July S&D estimates by Reuters:

Malaysian MPOB palm S&D Reuters Poll (volumes in tonnes)							
	July 2018 poll	Range	Jun-18	May-18	Apr-18	Mar-18	Feb-18
Output	1,544,666	1,450,000 - 1,700,000	1,332,705	1,525,405	1,558,337	1,573,957	1,342,805
Stocks	2,342,650	2,070,000 - 2,439,226	2,188,660	2,170,620	2,174,243	2,323,497*	2,478,186*
Exports	1,139,500	1,094,521 - 1,620,000	1,129,088	1,291,365	1,541,432	1,565,668*	1313136*
Imports	51,300	40,000 - 85,000	85,889	32,260	35,624	39,626	67,165

*Denotes revised figures

Source: Reuters and FI

Soybeans			Change	Soybean Meal			Change	Soybean Oil			Change
AUG8	889.25	12.00		AUG8	332.70	2.70		AUG8	28.59	0.30	
SEP8	895.25	12.50		SEP8	331.00	2.60		SEP8	28.75	0.30	
NOV8	905.75	12.25		OCT8	331.20	2.90		OCT8	28.87	0.30	
JAN9	917.00	12.00		DEC8	332.60	3.10		DEC8	29.09	0.29	
MAR9	926.25	12.00		JAN9	332.00	3.00		JAN9	29.35	0.29	
MAY9	936.25	12.25		MAR9	330.60	4.50		MAR9	29.66	0.29	
JUL9	944.50	12.00		MAY9	330.00	4.50		MAY9	29.98	0.29	

Soybeans	Spread	Change	SoyMeal	Spread	Change	SoyOil	Spread	Change
Sep/Nov	10.50	(0.25)	Sep/Dec	1.60	0.50	Sep/Dec	0.34	(0.01)

Electronic Beans Crush		Oil as %		Meal/Oil \$		Meal	Oil		
Month	Margin		of Oil&Meal	Con. Value		Value	Value		
AUG8	157.18	AUG8	30.05%	\$	16,116	731.94	314.49		
SEP8	149.20	SEP8	30.28%	\$	15,850	728.20	316.25	EUR/USD	1.1593
NOV8/DEC8	145.96	OCT8	30.35%	\$	15,798	728.64	317.57	Brazil Real	3.7656
JAN9	136.25	DEC8	30.43%	\$	15,806	731.72	319.99	Malaysia Bid	4.0740
MAR9	127.33	JAN9	30.65%	\$	15,590	730.40	322.85	China RMB	6.8280
MAY9	119.53	MAR9	30.97%	\$	15,264	727.32	326.26	AUD	0.7423
JUL9	118.98	MAY9	31.24%	\$	15,012	726.00	329.78	CME Bitcoin	6865
AUG9	120.01	JUL9	31.32%	\$	15,032	730.40	333.08	3M Libor	2.34144
SEP9	126.42	AUG9	31.40%	\$	14,982	731.28	334.73	Prime rate	5.0000
NOV9/DEC9	129.06	SEP9	31.50%	\$	14,880	730.62	336.05		

US Soybean Complex Basis					
AUG	+32 / 38 x up5/up4			DECATUR	-18 x unch
SEPT	+29 / 32 x up3/up2	IL SBM	-14 7/24/2018	SIDNEY	-15 x unch
OCT	+31 / 35 x up3/up2	CIF Meal	17 7/24/2018	CHICAGO	-20 q up5
NOV	+39 / 45 x unch	Oil FOB NOLA	225 8/7/2018	TOLEDO	-10 x up2
DEC	+39 / 46 f up1/unch	Decatur Oil	0 8/7/2018	BRNS HRBR	-40 x unch
				C. RAPIDS	-50 x dn10

Brazil Soybeans Paranagua fob	Brazil Meal Paranagua	Brazil Oil Paranagua
AUG -190 / +210 q unch	SEP +6 / +7 q unch	AUG +100 / +250 q dn30/unch
SEPT -205 / +230 u dn5/up10	OCT +7 / +12 v dn1/up2	SEPT +130 / +220 u unch
OCT +220 / +245 x unch/up5	NOV +10 / +15 z unch/dn1	OCT +130 / +250 v unch/up30
NOV +240 / +260 x unch	DEC +10 / +15 z unch/dn1	NOV +130 / +250 z unch/up30
DEC +240 / +260 x unch	JAN +12 / +20 h unch	DEC +130 / +250 z unch/up30
Argentina meal	326 -5.4	Argentina oil Spot fob 29.5 0.73

Source: FI, DJ, Reuters & various trade sources

Updated 7/31/18

- September soybeans are seen in a \$8.80-\$9.60 range; November \$7.75-\$10.00 range.
- September soybean meal \$310-380 range; December \$280-\$420 range.
- September soybean oil 28.00-29.50 range; December 27.00-31.00 range.

Wheat.

- US wheat futures opened mostly higher but selling eventually dragged contracts lower even after USDA reported a large decline in the US spring wheat crop rating. Profit taking was likely after contracts hit three-year highs.
- Funds sold an estimated net 8,000 SRW wheat contracts.

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- Earlier the US wheat/corn ratio hit a three-year high and should continue to climb higher over the coming weeks.
- Saudi Arabia said they will no longer buy wheat or barley from Canada amid a diplomatic dispute.
- The French AgMin lowered its soft wheat estimate to 35.1 tons from 36.1MMT in July, and down 4% from 2017. Average yields are seen at 7.11 tons/ha versus 7.37 tons/ha in 2017. The durum crop is seen 13.4% lower from 2017 to 1.84MMT.
- Ukraine may propose limiting milling wheat exports to 8 million tons, down from 10 million tons set in 2017-18.
- The CNGOIC estimated China could import 4 million tons of wheat in 2018-19, up about 315,000 tons from the previous season. China's wheat production seen at 122.5 million tons in 2018, down 7.27MMT from 2017.

Export Developments.

- China sold 2983 tons of 2013 imported wheat at auction at an average price of 2370 yuan/ton (\$347.01/ton), 0.2% of what was offered.
- Thailand seeks 39,000 tons of feed wheat, optional origin, for September shipment.
- Japan seeks 150,640 tons of milling wheat on August 9.

Japan food wheat import details are via Reuters as follows (in tons):

COUNTRY	TYPE	QUANTITY
U.S.	Western White	11,600 *
U.S.	Hard Red Winter(Semi Hard)	13,160 *
U.S.	Hard Red Winter(Semi Hard)	24,420 *
Canada	Western Red Spring(13.5%)	35,050 *
Canada	Western Red Spring(13.5%)	30,400 *
Australia	Standard White(West Australia)	36,010 *

Shipments: * Loading between Oct. 1 and Oct. 31, 2018

Source: Japan AgMin, Reuters and FI

- Jordan issued an import tender for 120,000 tons of feed barley on August 8.
- Jordan issued an import tender for 120,000 tons of hard milling wheat on August 9.
- Japan in a SBS import tender seeks 120,000 tons of feed wheat and 200,000 tons of barley on August 8 for arrival by January 31.

Rice/Other

- China sold 228,251 tons of rice out of auction at 2361 yuan per ton (\$344.54/ton), 13 percent of what was offered.
- Iraq seeks 30,000 tons of rice on August 12, open until Aug 16.

Chicago Wheat			Change	KC Wheat			Change	MN Wheat			Settle	Change
SEP8	568.25	(6.25)		SEP8	579.50	(6.50)		SEP8	627.75	(0.50)		
DEC8	590.00	(7.25)		DEC8	607.25	(6.75)		DEC8	644.75	(0.75)		
MAR9	609.25	(5.75)		MAR9	625.50	(6.00)		MAR9	657.00	(1.75)		
MAY9	615.00	(4.00)		MAY9	633.75	(5.00)		MAY9	661.00	(3.50)		
JUL9	605.25	(5.50)		JUL9	626.25	(7.00)		JUL9	663.50	(4.25)		
SEP9	611.25	(5.50)		SEP9	632.75	(6.25)		SEP9	657.00	(4.25)		
DEC9	621.50	(5.25)		DEC9	647.25	(6.50)		DEC9	667.25	(3.00)		

Chicago Rice			Change									
SEP8	10.91	(0.365)		NOV8	11.04	(0.220)		JAN9	11.24	(0.190)		

US Wheat Basis											
Gulf SRW Wheat				Gulf HRW Wheat				Chicago mill			
AUG	+58	/ 65 u	unch	AUG	120 u	unch		Toledo	+7 u	unch	
SEPT	+65	/ u	unch	SEP	130 u	unch		PNW US Soft White 10.5% protein			
OCT	+65	z	unch	OCT	145 z	unch		PNW Aug	612	-1.50	
NOV	+65	z	unch	NOV	145 z	unch		PNW Sep	610	-8.50	
DEC	+65	z	unch	DEC	145 z	unch		PNW Oct	NA	#VALUE!	
0-Jan								PNW Nov	NA	#VALUE!	

Euronext EU Wheat			Change	OI	OI Change	World Prices \$/ton			Change
SEP8	216.75	2.00		96,421	(3,654)	US SRW FOB	\$238.60	\$6.70	
DEC8	217.00	2.25		218,599	(10,550)	US HRW FOB	\$266.70	\$6.90	
MAR9	217.50	1.75		66,193	(345)	Black Sea FOB Mill 11%	\$218.00	\$8.00	
MAY9	218.75	2.00		33,384	(155)	Russia FOB 12%	\$231.50	\$15.00	
EUR	1.1593			\$240.50	CME Black 12.5%	Arg. Bread FOB 12%	\$225.00	\$0.00	
Rouen FOB 11%	\$258.23	\$2.25				Ukraine FOB Mill 11%	\$218.00	\$8.00	
AUS WHEAT DEC8	\$281.25	\$2.50		Platts/USD		Ukr. FOB feed (Odessa)	\$205.50	\$0.00	

Source: FI, DJ, Reuters & various trade sources

8/6/18. Trading ranges:

US & other countries continue to struggle with poor weather. Look for MN to possible build a wider premium over Chicago over the next few weeks. (53.75 cents as of 8/6)

- *September Chicago is seen in a \$5.50-\$6.20 trading range.*
- *September KC is seen in a \$5.55-\$6.35 range.*
- *September MN wheat is still seen in a \$6.00-\$7.00 range.*

Traditional Daily Estimate of Funds 8/7/18

	(Neg) - "Short"		Pos - "Long"		
Actual less Est.	(15.8)	(22.3)	7.5	(11.1)	(4.5)
	Corn	Bean	Chi. Wheat	Meal	Oil
Act. 7/31/18	110.6	(14.1)	75.0	97.6	(53.3)
1-Aug	(15.0)	(11.0)	6.0	(4.0)	(3.0)
2-Aug	11.0	(5.0)	8.0	(4.0)	(3.0)
3-Aug	11.0	6.0	(5.0)	(2.0)	3.0
6-Aug	6.0	(6.0)	12.0	(3.0)	(2.0)
7-Aug	(5.0)	8.0	(8.0)	3.0	3.0
FI Est. of Futures Only 8/7/18	118.6	(22.1)	88.0	87.6	(55.3)
FI Est. Futures & Options	38.8	(46.9)	64.6	79.9	(61.1)
Futures only record long	498.2	260.4	75.0	167.5	160.2
	2/1/2011	6/27/2017	7/31/2018	5/1/2018	11/1/2016
Futures only record short	(135.3)	(94.5)	(130.0)	(49.5)	(55.1)
	10/29/2013	6/27/2017	4/25/2017	3/1/2016	8/6/2013
Futures and options record net long	458.5	259.8	64.8	132.1	159.2
	9/28/2010	5/1/2012	8/7/2012	5/1/2018	1/1/2016
Futures and options record net short	(166.8)	(113.1)	(143.3)	(64.1)	(61.6)
	11/14/2017	6/27/2017	4/25/2017	3/1/2016	7/17/2018

Managed Money Daily Estimate of Funds 8/7/18

	Corn	Bean	Chi. Wheat	Meal	Oil
Latest CFTC Fut. Only	(95.6)	(66.6)	51.3	50.0	(91.4)
Latest CFTC F&O	(52.2)	(58.7)	52.9	52.6	(91.8)
FI Est. Managed Fut. Only	(83.6)	(78.6)	70.8	35.0	(94.4)
FI Est. Managed Money F&O	(40.2)	(70.7)	72.4	37.6	(94.8)

Index Funds Latest Positions (as of last Tuesday)

Index Futures & Options	273.0	136.8	133.7	NA	99.2
Change From Previous Week	0.0	0.0	0.0	NA	0.0

Source: Reuters, CFTC & FI (FI est. are noted with latest date)

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